

VZCZCXRO7257  
OO RUEHDBU RUEHFL RUEHKW RUEHLA RUEHROV RUEHSR  
DE RUEHUP #1051/01 1781406  
ZNY CCCCC ZZH  
O 271406Z JUN 07  
FM AMEMBASSY BUDAPEST  
TO RUEHMO/AMEMBASSY MOSCOW IMMEDIATE 0601  
RUEHVI/AMEMBASSY VIENNA IMMEDIATE 1702  
RUEHWR/AMEMBASSY WARSAW IMMEDIATE 0505  
RUCPDO/DEPT OF COMMERCE WASHDC IMMEDIATE  
RUEATR/DEPT OF TREASURY WASHDC IMMEDIATE  
RUEHC/SECSTATE WASHDC IMMEDIATE 1499  
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 BUDAPEST 001051

SIPDIS

SIPDIS

DEPARTMENT PLEASE PASS TO NSC FOR ADAM STERLING; EUR FOR  
NCE AND DAS BRYZA

E.O. 12958: DECL: 06/26/2012

TAGS: [PREL](#) [ENRG](#) [PGOV](#) [HU](#)

SUBJECT: THE SIDE OF THE ANGELS: ORBAN ON ENERGY SECURITY,  
THE TRANSATLANTIC RELATIONSHIP, AND CUBA

REF: BRYZA-FOLEY E-MAIL JUNE 26

Classified By: P/E COUNSELOR ERIC V. GAUDIOSI; REASONS 1.4 (B) AND (D)

11. (U) This is an action message. Please see para 10 for  
action request.

12. (C) An energetic and upbeat Viktor Orban met with  
Ambassador Foley June 27 to discuss energy security, the  
transatlantic relationship, and Cuba (domestic political  
issues septel).

ENERGY SECURITY: SUPPORTING THE GOH; "FIGHTING ON ALL FRONTS"

13. (C) The FIDESZ president made clear that he is closely  
following ongoing efforts by the Austrian oil corporation OMV  
to purchase Hungary's MOL, a maneuver both company and party  
officials feel is a front for a Russian takeover. He had  
been briefed on the refel meeting in Frankfurt, and assured  
us that he had agreed to "follow the government's lead" on  
the issue. He understands that the GoH will speak publicly  
on the takeover effort today, and will take the position that  
the purchase of a "flagship" company by another parastatal is  
"unacceptable." FIDESZ Vice-President Mihalj Varga will then  
issue a statement of support for the government's stand.

14. (C) At the same time, MOL has retained the local offices  
of Baker-McKenzie, the firm of former FM Janos Martonyi, to  
research legislative options to restrict foreign purchases of  
strategic holdings. Orban listened with great interest to  
our overview of US measures in this field, and warmly  
welcomed cooperation with the USG - specifically expert  
advice on US legislation - in this field, including the US  
Committee on Foreign Investment in the US (CFIUS).

15. (C) Emphasizing his intention to "fight on all fronts,"  
Orban also advised that he will be actively engaged with  
Warsaw to encourage Polish cooperation with MOL (ref a). He  
believes the GoH damaged its relations with the Polish  
government with its critical comments during the recent EU  
Summit, alleging that Prime Minister Gyurcsany had agreed to  
support the German position "in exchange for a five-hour  
visit by Chancellor Merkel in August." He hopes that his  
"personal friendships" with Polish officials can help repair  
the damage and focus on the Russian threat.

16. (C) Orban concluded on an optimistic note, commenting  
that the price of MOL stocks had already been pushed "higher  
than OMV had anticipated," thus eroding the economic benefits  
of a takeover. He hopes that the efforts of MOL management

will prove sufficient to deter further efforts.

#### CUBA: SPONSORSHIP FOR POLITICAL PRISONERS

¶17. (C) Turning briefly to Cuba, Orban noted that he had met with representatives of the Cuban opposition on the margins of a conference sponsored by the International Center on Democratic Transition (ICDT). FIDESZ officials including Orban have agreed to "sponsor" Cuban political prisoners, undertaking to support their families and to publicize their cases. Parliamentary Foreign Affairs Committee Chairman Zsolt Nemeth, who joined Orban for the meeting with Ambassador Foley, will meet again with the Cuban delegates to follow up.

#### TRANSATLANTIC TIES ... AND A TRANSATLANTIC TRIP?

¶18. (C) Commenting on the Transatlantic relationship, Orban and Nemeth looked back on "real progress" in the past six months, highlighted by the US initiative on climate change and by Europe's growing recognition of Russia's economic expansionism. Orban admitted frankly that both his personal reputation and his party's have suffered in the U.S., but he sees strong alignment on issues including Missile Defense, Energy Security, and Kosovo. Acknowledging previous concerns re the "revival of the far right," he suggested that the real threat now is the "survival and return of Russia and the far left." Nemeth framed Hungary's role in the context of the broader Transatlantic relationship, expressing hope for continued progress "with Merkel in Berlin and Sarkozy in Paris." Orban agreed, underscoring his strong support for Hungary's bid to host the C-17s of NATO SAC initiative as a means to "provide a positive example of America and NATO" in

BUDAPEST 00001051 002 OF 002

order to increase support for more strategic investment in defense.

¶19. (C) Comment: This brings us back to the question of an Orban trip to the U.S., a trip Orban would like to make in the fall. Whether as a matter of convenience or conviction, FIDESZ has worked hard to establish its Transatlantic bona fides, often pressing the Gyurcsany government on key issues such as Energy Security and Missile Defense. Orban may be no angel, but he is on the side of the angels on these issues. End Comment.

¶10. (C) Action Request: We accordingly recommend that Washington agencies consider receiving him at a senior level in the fall. In the near-term, we strongly recommend that the USG provide an expert to consult with Hungarian officials re the question of legislative approaches to limit foreign control of strategic assets.

FOLEY